



Loan Guaranty

Home Loan Guaranty Program Objectives

The objective of the VA Home Loan Guaranty program is to help eligible Veterans, active-duty personnel, surviving spouses, and members of the Reserves and National Guard purchase, retain, and adapt homes in recognition of their service to the Nation.

Current Benefits

VA home loans may be used to:

- Purchase a home;
- Purchase a residential unit in certain condominium projects;
- Build a home;
- Refinance an existing home loan; or
- Improve a home by installing solar heating or other energy conservation measures.

629,312 Loans Guaranteed

Average Loan \$225,604

Total Loan Amount:
\$141 Billion

The Loan Guaranty Program was originally part of a national effort to move from a wartime economy to a peacetime economy and to avoid the economic recession historically associated with postwar periods. The program was one of the innovations advanced by the Servicemen's Readjustment Act of 1944 (PL 78-346), known as the GI Bill of Rights. By providing loan guaranties, the government could aid Veterans in their efforts to readjust to civilian life.



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Release history

Version & changes	Date
V1: Initial release	09/26/2014



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Program Information

There are two types of guaranteed loans: purchase and refinance. A “Purchase Loan” is used to obtain a home. The other loan type is a refinance, and there are two kinds of refinance loans: interest rate reduction and other refinance (i.e., cash-out refinancing). Interest rate reduction is typically the most common reason for refinancing a loan.

While there is no maximum VA loan amount, secondary market limitations determine how much lenders will loan and therefore create an effective loan limit for VA. These effective loan limits vary by county and are based on the Department of Housing and Urban Development’s (HUD) area median prices that are used by Federal Housing Finance Administration (FHFA) to set the Government Sponsored Enterprise (GSE) (Fannie Mae and Freddie Mac) loan limits. The VA county loan limits are adjusted annually each January and are available at http://www.benefits.va.gov/homeloans/loan_limits.asp.

Veterans pay a funding fee ranging from 1.25% to 3.3% of the loan amount (0.5% for interest rate reduction refinancing loans). The funding fee can be included in the loan. Veterans receiving VA disability compensation (or who would be receiving compensation, but for the receipt of retirement pay or active service pay) are exempt from the fee. Also a surviving spouse of a Veteran who died on active-duty service or later from service-connected causes is exempt from paying the fee.

Additionally, the Honoring Veterans and Caring for Camp Lejeune Families Act of 2012 (Public Law 112-154), further expanded assistance to Veterans and their families, to include the following:

- Established permanent authority to guarantee adjustable-rate and hybrid adjustable-rate mortgages;
- Expanded home loan benefits for certain surviving spouses; and
- Allowed an active-duty Servicemember’s dependent child to satisfy the occupancy requirement.



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Specially Adapted Housing Program (SAH)

Severely-disabled Veterans and Servicemembers, primarily those who are wheelchair bound or who have lost the use of both arms at or above the elbow, may be entitled to obtain SAH grants.

Special Housing Adaptation (SHA) grants are also available to disabled individuals who have blindness in both eyes, or have anatomical loss or loss of use of both hands.

These distinctive programs help eligible individuals buy, build, or modify homes specifically adapted for their use. In addition to no time limitation or deadline for applying for either grant benefit, multiple grant uses are available as authorized under Title 38, United States Code (U.S.C.) section 2101(a) or section 2101(b). The Honoring Veterans and Caring for Camp Lejeune Families Act of 2012 (Public Law 112-154) further expanded the SAH benefit. Specifically, section 202 authorized SAH assistance for certain Veterans who served in the Armed Forces on or after September 11, 2001 and are entitled service-connected disability due to the loss or loss of use of one lower extremity, severely affecting the functions of balance or propulsion.

The Veterans Housing Opportunity and Benefits Act of 2008 (PL 110 289), enacted on July 30, 2008, included the following changes:

- Increased the maximum grant amounts;
- Authorized cost indexing on an annual basis on October 1 of each year (beginning in calendar year 2009);
- Established eligibility for housing assistance for individuals with severe burn injuries; and
- Authorized assistance for individuals residing outside the United States who may now, at the Secretary's discretion, use adaptive housing benefits.

These benefits can be used for, but are not limited to:

- Wider doorways and hallways to accommodate wheelchairs;
- Ramps or platform lifts instead of steps; and
- Wheelchair accessible bathrooms.

The Honoring American Veterans and Caring for Camp Lejeune Families Act of 2012 (PL 112-154), enacted October 1, 2012, included the following changes:

- Temporarily expanded eligibility for SAH assistance for certain Veterans;
- Expanded eligibility for SHA assistance for Veterans with vision impairment;
- Increased and indexed the temporary residence adaptation (TRA) grant and extended this authorization to provide housing assistance to individuals temporarily residing in a home owned by a family member;
- Authorized additional SAH assistance to Veterans whose homes have been destroyed or damaged by natural disaster; and
- Removed the TRA grant from the aggregate amount of assistance available from the SAH/SHA program.

Specially adapted housing data can be found at the bottom of page [14](#)



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Native American Direct Loan (NADL) Program

The Native American Direct Loan Program helps Native American Veterans or Native American non-Veterans married to a Veteran finance the purchase of homes on Federal Trust land. VA has entered into memorandums of understanding with 84 participating Native American tribes. During FY 2013, VA closed 28 loans under this program. Since its inception, VA has made 953 loans to Native American Veterans.

Loan Administration

The Loan Administration Program helps to ensure that Veterans who have VA-guaranteed loans receive assistance during times of financial hardship. VA provides this assistance through oversight of mortgage loan servicers to ensure they offer options for home retention and alternatives to foreclosure. To ensure every Veteran has the option to retain their home, VA made over 518,000 attempts to contact delinquent borrowers and mortgage servicers. In FY 2013, VA helped more than 73,000 borrowers retain homeownership and/or avoid foreclosure. These actions resulted in a \$2.6 billion savings in estimated foreclosure costs to the Government.

For a Veteran or Servicemember who may have obtained a conventional loan, VA can offer general guidance and financial counseling through Loan Technicians in our 8 Regional Loan Centers. However, unlike a VA-guaranteed home loan, VA has no legal authority or standing to intervene on the borrower's behalf. VA's toll-free number for all Veterans and Servicemembers to call for home loan assistance is (877) 827-3702.

Loan administration data can be found on page [15](#)



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Quick Reference

This quick reference guide highlights information most requested from the Loan Guaranty Service.

In FY 2013, interest rate reduction refinance loans were 49% of the total loan volume.

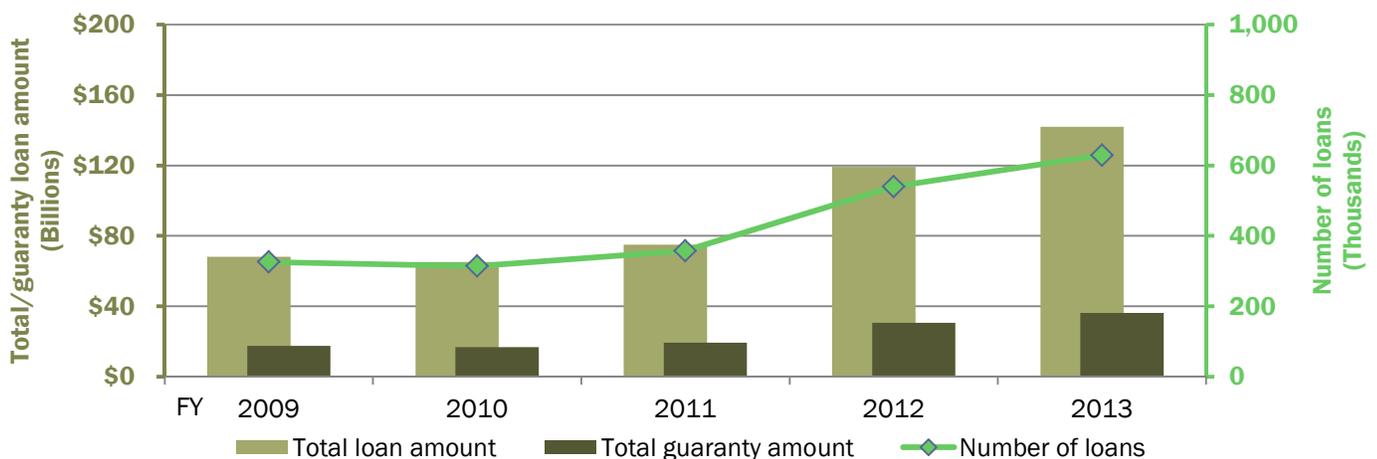
Fiscal year 2013 loan guaranty program highlights

Loans guaranteed	629,312
Interest rate reduction loans	308,333
Total loan amount	\$141,975,397,598
Average amount per loan	\$225,604

VA loans guaranteed by fiscal year

	2009	2010	2011	2012	2013
Number of loans	325,690	314,011	357,594	539,884	629,312
Total loan amount	\$68,200,786,687	\$65,050,602,993	\$74,929,221,125	\$119,227,054,808	\$141,975,397,598
Average loan amount	\$209,404	\$207,160	\$209,537	\$220,838	\$225,604
Total guaranty amount	\$17,492,203,150	\$16,744,643,173	\$19,318,417,290	\$30,578,197,324	\$36,239,738,792
Average guaranty amount	\$53,708	\$53,325	\$54,706	\$56,638	\$57,586

Chart: VA loans guaranteed by fiscal year





Summary of Home Loan Guaranty Entitlements and Other Eligibility Criteria

The table below summarizes eligibility criteria for the Loan Guaranty Program. All Veterans must have been discharged or released from active duty under other than dishonorable conditions. If the Veteran served less than the minimum required time period, he or she could be eligible if discharged because of a service-connected disability.

Period of service or entitlement	Service dates	Length of service or other criteria
World War II	9/16/40 - 7/25/47	90 days
Post-World War II	7/26/47 - 6/26/50	181 continuous days
Korean Conflict	6/27/50 - 1/31/55	90 days
Post-Korean Conflict	2/1/55 - 8/4/64	181 continuous days
Vietnam Era	8/5/64 - 5/7/75	90 days*
Specific entitlement for post-Vietnam Era	5/8/75 - 9/7/80	181 continuous days
Enlisted	9/8/80 - 8/1/90	2 years
Officers	10/17/81 - 8/1/90	2 years
Gulf War Era	8/2/90 - present	2 years or period called to active duty. (not less than 90days)
Active duty personnel	—	On active duty, after having served continuously for at least 181 days (90 days for Gulf War Era duty) unless discharged or separated from a previous qualifying period of active duty service.
Reservists	—	6 years
Unmarried surviving spouse	N/A	Married to an eligible Veteran who died as a result of service or service-connected conditions.
Spouse of MIA/POW	N/A	Active duty member who is missing in action (MIA) or who is a prisoner of war (POW).
Restored entitlement	—	Veterans who previously used the home loan benefit, but had entitlement restored because the loan was paid in full and property disposed of.



Home Loan Guaranty Data

Types and characteristics of VA loans guaranteed by fiscal year

Characteristic/type	2009	2010	2011	2012	2013
First time home buyer	91,818	99,820	90,331	88,128	98,094
Previous home buyer	89,078	92,805	96,255	113,705	143,111

Purchase loans only

Without down payment	163,441	171,313	164,647	174,286	202,609
With down payment	17,455	21,312	21,941	27,580	38,596

Purchase loans only

Purchase loans	180,896	192,625	186,588	201,866	241,205
Interest rate reduction	122,251	94,339	135,712	281,493	308,333
Cash out/ other refinancing	22,543	27,047	35,294	56,525	79,774
Total	325,690	314,011	357,594	539,884	629,312

Types and characteristics of VA loans guaranteed during fiscal year 2013

Characteristic/type	Number of loans	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
First time home buyer	98,094	\$20,487,592,321	\$208,857	\$5,278,639,102	\$53,812
Previous home buyer	143,111	\$36,104,389,485	\$252,282	\$8,984,792,573	\$62,782

Purchase loans only

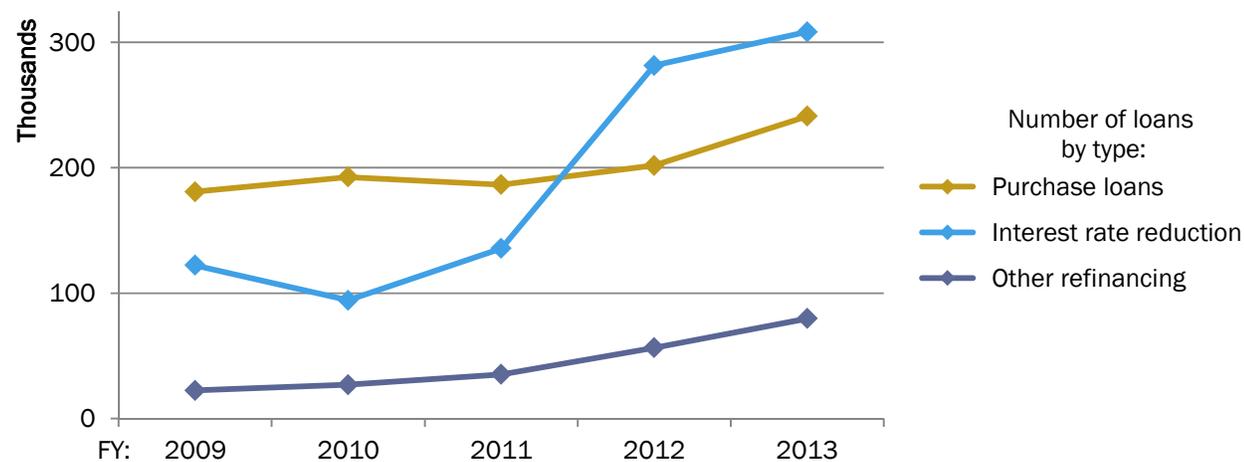
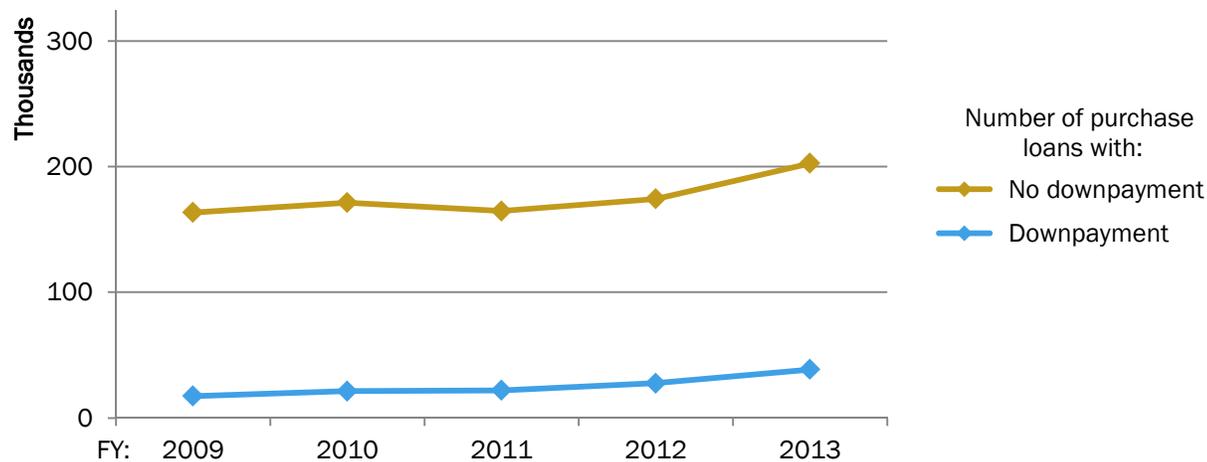
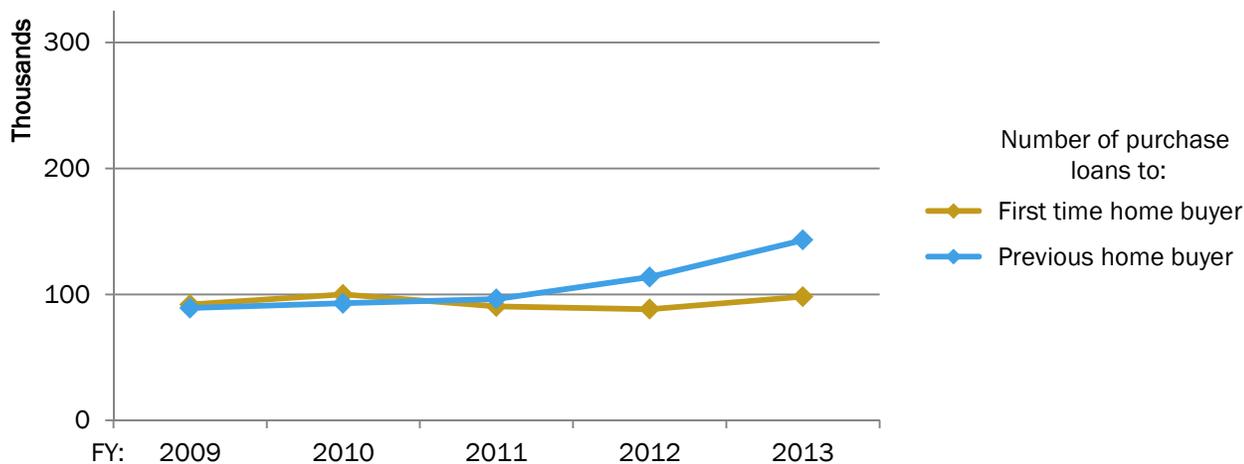
Without down payment	202,609	\$44,979,603,903	\$222,002	\$11,503,316,743	\$56,776
With down payment	38,596	\$11,612,377,903	\$300,870	\$2,760,114,932	\$71,513

Purchase loans only

Purchase loans	241,205	\$56,591,981,806	\$234,622	\$14,263,431,675	\$59,134
Interest rate reduction	308,333	\$66,924,311,102	\$217,052	\$17,338,607,718	\$56,233
Cash out / other refinancing	79,774	\$18,459,104,690	\$231,392	\$4,637,699,399	\$58,135
Total	629,312	\$141,975,397,598	\$225,604	\$36,239,738,792	\$57,586



Chart: Types and characteristics of VA loans guaranteed by fiscal year
(data on preceding page)





VA loans guaranteed by fiscal year and period of service/entitlement

Period of service/entitlement	2009	2010	2011	2012	2013
World War II	380	483	415	684	733
Post-World War II	113	103	113	191	206
Korean Conflict	591	647	748	1,084	1,242
Post-Korean Conflict	2,360	2,782	3,332	5,263	6,248
Vietnam Era	13,482	14,676	17,838	27,425	32,359
Post-Vietnam Era	22,601	21,457	23,766	32,690	35,763
Gulf War Era	105,942	98,860	111,187	153,930	174,465
Restored entitlement	92,950	89,446	113,227	203,696	256,705
Service personnel	81,834	79,592	79,951	103,756	108,778
Reservists	4,575	4,906	5,756	8,865	10,319
Un-remarried survivors	854	1,050	1,252	2,300	2,494
Spouses of POWS	8	9	9	N/A	N/A
Total	325,690	314,011	357,594	539,884	629,312





VA loans guaranteed during fiscal year 2013 by period of service/entitlement

Period of service/entitlement	Number of loans	Percent of total	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
World War II	733	0.12%	\$129,238,511	\$176,314	\$34,957,986	\$47,692
Post-World War II	206	0.03%	\$36,978,084	\$179,505	\$9,896,435	\$48,041
Korean War	1,242	0.20%	\$200,023,691	\$161,050	\$54,741,209	\$44,075
Post-Korean War	6,248	0.99%	\$1,122,337,493	\$179,631	\$299,358,885	\$47,913
Vietnam Era	32,359	5.14%	\$6,095,120,769	\$188,359	\$1,605,696,696	\$49,621
Post-Vietnam Era	35,763	5.68%	\$7,145,055,557	\$199,789	\$1,862,961,694	\$52,092
Gulf War Era	174,465	27.72%	\$39,087,706,512	\$224,043	\$9,972,876,597	\$57,163
Restored entitlement	256,705	40.79%	\$59,962,799,023	\$233,586	\$15,256,383,254	\$59,432
Service personnel	108,778	17.29%	\$25,429,727,035	\$233,776	\$6,431,354,000	\$59,124
Reservists	10,319	1.64%	\$2,328,063,410	\$225,609	\$593,663,644	\$57,531
Un-remarried survivors	2,494	0.40%	\$438,203,627	\$175,703	\$117,777,621	\$47,224
Spouses of POWs	N/A					
Total	629,312	100%	\$141,975,253,712	\$225,604	\$36,239,668,021	\$57,586



VA loans guaranteed by fiscal year and age

Age	2009	2010	2011	2012	2013
18 - 25	24,751	22,772	19,133	18,534	19,101
26 - 35	102,833	96,070	99,488	135,064	153,742
36 - 45	93,871	84,164	96,742	145,123	162,708
46 - 55	54,365	54,548	67,381	112,273	132,334
56 - 65	36,120	38,951	49,935	81,988	94,870
66 - 75	10,525	13,280	19,082	36,593	53,132
76 - 80	2,104	2,676	3,714	6,367	8,173
Over 80	1,121	1,550	2,119	3,942	5,252
Total	325,690	314,011	357,594	539,884	629,312

VA loans guaranteed during fiscal year 2013 by age

Age	Number of Loans	Percent of total	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
18 - 25	19,101	3.04%	\$3,287,570,763	\$172,115	\$867,081,465	\$45,395
26 - 35	153,742	24.43%	\$33,562,505,953	\$218,304	\$8,560,489,786	\$55,681
36 - 45	162,708	25.85%	\$40,775,439,719	\$250,605	\$10,267,311,930	\$63,103
46 - 55	132,334	21.03%	\$31,831,154,090	\$240,536	\$8,075,634,095	\$61,025
56 - 65	94,870	15.08%	\$19,635,219,941	\$206,970	\$5,091,602,935	\$53,669
66 - 75	53,132	8.44%	\$10,486,566,742	\$197,368	\$2,737,093,706	\$51,515
76 - 80	8,173	1.30%	\$1,478,907,817	\$180,950	\$393,414,715	\$48,136
Over 80	5,252	0.83%	\$918,032,573	\$174,797	\$247,110,160	\$47,051
Total	629,312	100%	\$141,975,253,712	\$225,604	\$36,239,668,021	\$57,586



Percentage of VA loans guaranteed by fiscal year and age

Age	2009	2010	2011	2012	2013
18 - 25	7.60%	7.30%	5.40%	3.40%	3.04%
26 - 35	31.70%	30.60%	27.80%	25.00%	24.43%
36 - 45	28.80%	26.80%	27.10%	26.90%	25.85%
46 - 55	16.70%	17.40%	18.80%	20.80%	21.03%
56 - 65	11.10%	12.40%	14.00%	15.20%	15.08%
66 - 75	3.20%	4.20%	5.30%	6.80%	8.44%
76 - 80	0.60%	0.90%	1.00%	1.20%	1.30%
Over 80	0.30%	0.50%	0.60%	0.70%	0.83%
Total	100%	100%	100%	100%	100%

VA loans guaranteed during fiscal year 2013 by Veteran participant annual income

Income	Number of loans	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
Less than \$25,000	2,758	\$254,935,181	\$92,435	\$87,990,436	\$31,904
\$25,000 to \$34,999	10,763	\$1,297,026,160	\$120,508	\$389,028,318	\$36,145
\$35,000 to \$44,999	23,646	\$3,445,069,135	\$145,694	\$945,989,683	\$40,006
\$45,000 to \$54,999	33,764	\$5,761,818,804	\$170,650	\$1,508,587,858	\$44,680
\$55,000 to \$64,999	32,189	\$6,284,967,849	\$195,252	\$1,609,678,538	\$50,007
\$65,000 to \$74,999	27,989	\$6,093,418,968	\$217,708	\$1,540,363,132	\$55,035
\$75,000 and over	110,096	\$33,454,745,709	\$303,869	\$8,181,793,710	\$74,315
Total	241,205	\$56,591,981,806	\$234,622	\$14,263,431,675	\$59,134

Purchase loans only

Veteran participant income and asset information

Average income	\$81,542
Median income	\$71,064
Median assets	\$8,670



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Number of VA loans guaranteed by fiscal year and race¹

Race	2009	2010	2011	2012	2013
White	216,743	203,109	243,776	376,539	444,454
Black/ African American	38,699	35,471	37,519	52,993	60,025
Hispanic	23,310	23,224	25,724	37,070	45,059
Asian/ Pacific Islander/ Native Hawaiian	5,348	5,447	6,640	10,468	3,110
American Indian/ Alaskan Native	1,527	1,492	1,673	2,396	10,111

VA loans guaranteed during fiscal year 2013 by race

Race	Number of loans	Percent of total	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
White	444,454	79.0%	\$99,468,967,105	\$ 223,800	\$25,379,856,842	\$57,103
Black/ African American	60,025	10.7%	\$13,558,532,607	\$ 225,881	\$3,458,731,947	\$57,622
Hispanic	45,059	8.0%	\$ 9,971,022,424	\$ 221,288	\$2,547,726,546	\$56,542
Asian/ Pacific Islander/ Native Hawaiian	3,110	0.6%	\$ 874,187,271	\$ 281,089	\$219,173,802	\$70,474
American Indian/ Alaskan Native	10,111	1.8%	\$3,063,296,084	\$ 302,967	\$762,908,342	\$75,453

Specially Adapted Housing Data

Specially adapted housing grants and direct loans during fiscal year 2013 by program

Number or amount of loan or grant	Specially adapted housing grants ²	Special housing adaptation grants	Direct loans to native Americans
Number of grants / loans	977	122	28
Amount of grants / loans	\$51,621,002	\$1,198,465	\$5,622,895
Average amount of grants / loans ³	\$52,836	\$9,823	\$200,818

¹ Veteran participant race is self-reported and unavailable for 66,553 loans guaranteed in FY 2013.

² Grants, not to exceed the maximum amounts, can be used up to three times.

³ The average amount of grants reflects first time grant usages only.





Loan Administration Data

Loan Administration helps to ensure that Veterans who have VA-guaranteed loans receive assistance during times of financial hardship. VA provides this assistance through oversight of mortgage loan servicers to ensure they offer options for home retention and alternatives to foreclosure.

Number of borrowers saved from foreclosure

73,560

Loan administration actions by fiscal year

Action	2010	2011	2012	2013
Borrowers saved from foreclosure	66,030	72,391	69,920	73,560
Potential claim savings	\$2,016,541,092	\$2,454,283,010	\$2,525,137,281	\$2,789,614,434
Foreclosures completed	20,506	14,825	16,466	19,065
Claim payments	\$811,767,321	\$907,012,716	\$805,234,414	\$1,110,183,292

Loan administration actions in fiscal year 2013

Action	Number/Amount
Borrower contact	252,836
Servicer contact	264,740
Potential claim savings	\$2,789,614,434
Default resolution rate (percent)	79.42%
Defaults reported	89,552
Foreclosures completed	19,065
Borrowers saved from foreclosure	73,560

Contact Information

Home Loan Guaranty information:

1-877-827-3702

Annual Benefits Report (Office of Performance Analysis & Integrity)

202-461-9040

Department of Veterans Affairs home page

www.va.gov

Veterans Benefits Administration home page

benefits.va.gov

eBenefits (Online forms and applications)

www.ebenefits.va.gov

Home Loan Guaranty home page

www.benefits.va.gov/homeloans



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